



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

0003

July 21, 2009

Certified Return Receipt  
7003 2260 0002 0247 8287

Key Bank National Association  
Standby Letter of Credit Services  
Mail Code: OH-01-51-0435  
4910 Tiedeman Road  
Cleveland, Ohio 44144-2338

Subject: Non-Renewal of Letter of Credit # \_\_\_\_\_, Star Stone Quarries, Aragonite Quarry,  
M/045/0031, Tooele County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated June 24, 2009, regarding non-renewal of Letter of Credit #S314017 in the amount of \$13,630.00. The mine operator, Star Stone Quarries, has been advised that a replacement surety must be provided by August 23, 2009. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$13,630.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for the BLM and itself to be used for reclamation of the Aragonite quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

We are anticipating that the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable.

Thank you. If you have any questions, please feel free to call me at (801) 538-5261.

Sincerely,

Paul Baker  
Minerals Program Manager

PBB:pb

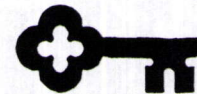
Enclosure Letter dated 06/24/2009 and Sight Draft

Cc: [opie\\_abeyta@blm.gov](mailto:opie_abeyta@blm.gov)  
[Stephen\\_allen@blm.gov](mailto:Stephen_allen@blm.gov)

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0003



KEYBANK NATIONAL ASSOCIATION  
STANDBY LETTER OF CREDIT SERVICES  
MAIL CODE: OH-01-51-0435  
4910 TIEDEMAN ROAD  
CLEVELAND, OH 44144-2338  
TEL. NO: 216-813-3696, -3698, -3702, -3714, -3715  
FAX NO: 216-813-3719

June 24, 2009

Utah Division of Oil, Gas and Mining (DOGM)  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

For itself and as agent for:

The Bureau of Land Management (BLM)  
Utah State Office  
440 West 200 South Suite 500  
Salt Lake City, Utah 84101

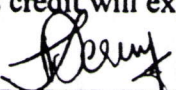
Re: Star Stone Quarries, Inc., Aragonite Mine Site DOGM Permit M450031.

\*\*\*\* Notice of Non-Renewal \*\*\*\*

Re: Our Standby Letter of Credit Number:                      dated October 1, 2008.  
Account Party: Star Stone Quarries, Inc.

The above referenced Letter of Credit was issued with the condition that it be automatically extended without amendment from the present or any future expiration date unless we notify you in accordance with the Letter of Credit terms.

We hereby notify you that we elect not to extend this credit for any additional period and therefore, this credit will expire in full with our close of business on October 1, 2009.

  
\_\_\_\_\_  
Authorized Signature

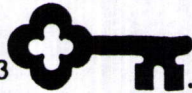
cc: Star Stone Quarries, Inc.  
4040 South 300 West  
Salt Lake City, UT 84107

RECEIVED

JUN 30 2009

DIV. OF OIL, GAS & MINING





**EXHIBIT A**  
**SIGHT DRAFT**

Date: \_\_\_\_\_

USD\$ \_\_\_\_\_

At sight, pay to the order of:

Utah Division of Oil, Gas and Mining

the sum of: \_\_\_\_\_ United States  
Dollars

Drawn under the KeyBank National Association, Cleveland, Ohio Irrevocable Standby Letter of Credit no.                      dated October 01, 2008

**To: KeyBank National Association  
4910 Tiedeman Road  
Cleveland, Ohio, 44144 USA**

Utah Division of Oil, Gas, and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

(Authorized signature)

(Name)

Please wire draw proceeds per the following instructions:

TO:

ABA or ROUTING #:

ATTN:

REFERENCE:

CREDIT ACCOUNT:

[illegible]